

# **Edina Affordable Housing Task Force**

## **Meeting Minutes**

**March 9, 2005**

### **Objective: Define the Need for Affordable Housing in Edina**

Present: Bob Aderhold, Michael Bartus, Phyllis Brevig, Valerie Burke, Hal Clapp, Kandace Ellis, Michael Fischer, John Helling, Jeff Huggett, Mike Huck, Scott Massie, Douglas Mayo, Barb McFarlane, Sharon Ming, Cappy Moore, Carol Mork, Joan Naymark, Skip Thomas, and Janice Williams

Absent: Doug Johnson, Sally Krusell, and Judy VanOsdel

Edina Staff Representative(s): Susan Heiberg and Joyce Repya

Project Consultants: Dave Engstrom, Rich McLaughlin, Helene Shear and Rick Peterson

The meeting was called to order by Doug Mayo at 7:30 a.m.

The February 9<sup>th</sup>, 2005, meeting minutes were reviewed. A correction was made that the policy committee did not actually review the 20/20 Report. Motion was made by Hal Clapp to approve the minutes. Motion was seconded by John Helling. Minutes were approved.

Doug asked for volunteers for vice chair. Doug suggested that he may appoint someone to this position if no one volunteers.

The meeting agenda was reviewed.

Doug introduced Tom Fulton, the Director of the Family Housing Fund. Tom Fulton stated that the Family Housing Fund has made a \$150 million dollar investment in affordable housing and has assisted production of 30,000 units of affordable housing. A handout was distributed and reviewed. Key points were:

- The common definition of affordable housing is that a family would not spend more than 30% of gross income towards housing.
- A holistic definition would use the 30% rule, plus decent and safe, the right size, and well located to jobs.
- Affordable housing should be considered a community asset, and it should contribute to the quality of life of a community. Quality matters politically.

- Affordable housing is a problem throughout the country.
- The cost of housing is rising at a rate higher than incomes. (This is not a personal choice; everyone is not earning enough, including teachers, Police, etc.)
- Half of new jobs created pay less than ten dollars an hour. This means that when you apply the 30% rule, these people can afford housing that costs \$500 a month. This compares to a typical two-bedroom apartment that leases for \$930 a month. Another example is that an average modest market-rate home costs \$180,000, and this would take 90% of the household income.
- Home ownership is the cornerstone of wealth creation for the typical family.
- Sustaining affordable housing affects the performance of kids in schools. Constant moves in a search for affordable housing affect schools and does not allow parents to form crucial networks.
- Substandard housing is unaffordable; this means that families are doubling up, which forces evictions and causes homelessness.

The next decade of housing in Minnesota:

- Over half of the population will be spending over 60% of their gross income on housing.
- 60,000 new affordable units are needed by 2010.
- The private market will produce approximately 30,000 of these units.
- Public investment will serve only 1/3 of these people, with 2/3 being left out.

A comprehensive policy was reviewed:

- The first schematic is based on a housing continuum that has a focus on a household's income and the production and preservation of affordable housing. This continuum begins with emergency shelter, supportive transitional housing, workforce housing, low-to-moderate income home ownership and ends with moderate-to-middle income home ownership.
- The second schematic shows the circle of activity that surrounds affordable housing. Parts of this include public subsidy, general policy and systems of innovation.
- It was noted that households of color are at the greatest disadvantage. For example, most non-minority households use home equity loans to finance their children's college education,

while people of color don't have this equity because of their housing situation.

- Government influences the housing supply with policies and regulations.

Carol Mork provided a chart showing current housing costs in Edina, and using the 30% rule, she identified how these costs relate to a teacher's salary. She also presented a table that showed the salaries played by Edina top employers. Her presentation showed that there is a huge gap between the salaries paid by the top employers and the cost of the local housing stock.

Comments were made about how this income gap is the cause of turnover in the school system.

It was noted that the information presented did not reflect two income households. Others commented that there are a variety of other circumstances such as medical expenses, recent divorce, and family size which all can affect housing affordability.

Mike Fischer announced that the Edina Planning Commission recently approved a mixed-use housing development at 50<sup>th</sup> and France. A zoning change will be required for this project to move forward, which will open the door for negotiating the affordable housing component.

Helene passed out the draft housing continuum summary for task force members to review for the next meeting.

The meeting was adjourned @ 9:00 a.m.